THE ROLE OF THE TECHNICAL EXPERT IN ESTABLISHING A CONDOMINIUM OWNERS' ASSOCIATION

Beginning the Activity

After the owners of a building decide to establish an owners' association, the technical expert must obtain the "technical book" of the building, or at least the most important construction documents, including:

- the architectural plans: site plan, floor plans (including the roof), elevations
- mechanical, electrical and plumbing plans; site plan, utility plan, floor plans and riser diagrams
- structural plans (optional)

The technical book should be available at the former GIGCL or ICRAL (the building management enterprises). Some technical books were lost during the reorganization of these enterprises during 1990-91. In this event, the technical expert should try to obtain the book at the former design institute in the jurisdiction where the building is located. If the buildings are not very old, the plans should be available in the design institute archives and can be copied for a fee.

Analysis of the Project

The technical documents must be analyzed first to establish the technical limits or boundaries of the respective condominium, for the following:

1. determination of the spatial boundaries of the property, in accordance with the site plan and/or architectural plan (including the building and its sidewalk), the basement plan, and the roof plan;

2. determination of the interfaces with the property of the enterprises supplying utilities:

   a) cold water - the water meter location and/or origin point of internal distribution

   b) sewerage - collection point to which are brought the pipes of the internal sewerage collection system (usually crude iron pipes)

c) hot water - the point where the service enters the building, where the thermic energy meter and consumption meter for hot water can be installed

(In case the service network passes through the building and there are more than one branching for the distribution of hot water within the building, multiple points will be identified for installation of meters, or a modification to the distribution system must be designed so as to permit the use of a single meter for the property of the condominium.)

d) heating - same as for hot water

e) electric energy - the points where the meters for the common installations as well as the units, are located

f) telephone - the telephone distribution "closet"

g) cable television - the distribution point for each floor

Within the condominium boundaries there may be many or few installations and distribution networks that are the property of the companies supplying utilities. All of these must be identified and described in the technical documents of the condominium and in the contracts executed with the utility suppliers, as their use and maintenance is the responsibility of the respective utility suppliers.

Valuation of the Condominium Property

Based upon the analysis of the building's technical book, a valuation report for the condominium is developed. The valuation report must contain the following elements:

1. Main Physical Parameters of the Condominium

a) height of the building

b) condominium property - units, common spaces, connections to the utilities, etc. (All property contained within the established boundaries). In case this information is not clear from the technical book, field verification will be necessary.

c) gross building area of the condominium

d) net useful area for each unit

e) construction system

f) age of the building

g) property of other entities located within the condominium boundaries, especially of companies which are utility suppliers (public services).

2. Unit Cost - Value of Replacement

This cost is the product of the unit cost (at market) per square meter to construct the respective building times the gross building area. The unit cost represents the cost to construct a square meter of gross built-up area in a similar residential building at the time the valuation is being performed. To obtain unit costs, the local design institutes and technical offices should be consulted.

3. Valuation

The value of the condominium property is established by this formula:

V = B.a.d. x Up x K

B.a.d. = Built-up area of the property according to the technical book

Up = Unit price per square meter of B.a.d.

K = adjustment coefficient of the value of the property according to Law No. 61/1991

The resulting value represents the adjusted replacement value of the property that will be registered by the condominium association. Careful determination of this value is important for at least two reasons:

- The registered value may be used to determine the necessary guarantee for banks in the event of credits, a starting point in the case of the sale of an individual unit in the condominium by one of the owners, or for the purpose of insurance coverage.

- In the event of credits or litigation between the condominium and other entities or even in the case of litigation within the condominium, if values are not credible, professional expertise will be required to determine valuation. If significant differences occur, the owners' association may have difficulties with other entities, including lenders.

The valuation report which has been prepared as described above is turned over to the legal expert retained by the owners' association to register the association.

Technical Inspection of the Condition of the Property

Technical inspection of the property should be made in the presence of a representative of the owners' association. The inspection should follow the instructions and forms found in the Condominium Operations and Management Training Manual, in Chapter IV, "Property Management," Section D, "Building Condition Survey." Some of the forms are included in this pamphlet.

The inspection should include the common spaces and installations, spaces and installations accessible to a limited group of owners, such as a stairwell, and spaces within individual ownership (the units).

Included in the category of common property are the basement, floor slabs, the building envelope (roof, exterior walls and joints, the floor of the basement), and the principal distribution system of utilities.

It is not necessary to evaluate the design of an existing building in accordance with current standards, such as seismic criteria; the evaluation is intended to provide a careful analysis of the technical condition of the structural elements *as designed and constructed*.

Basements of the buildings, which were generally designed as "technical basements," are often the site of owner-improvised construction which sometimes involves modification of original structural elements. These modifications may or may not affect the stability of the building. It is the obligation of the technical expert to inspect them and state his opinion.

The roof is inspected primarily to determine the condition of hydro-insulation. The condition of older or newer construction elements associated with the roof system should also to be inspected: gutters and drains for rain water collection; fastening elements for the central antenna; fastening system for the transmission cables for satellite TV (cable); telephone cabling, if appropriate; etc.

Exterior walls must be inspected at the joints, especially in the case of facade panels. Thermal insulation should be checked, and the condition of exterior plaster and painting noted. Special attention should be paid to the condition of exterior millwork (entrance and balcony doors, windows, etc.). Substantial heat loss results from gaps or looseness in the exterior millwork.

For principal utility distribution systems are concerned, the technical expert should first determine if they were constructed in accordance with the project design, the technical book. Technical condition should be checked and an analysis performed to determine the feasibility of installing meters on those branching networks which have been designed for such installation.

After the general inspection is completed, an inspection of the distribution networks from the basement to each stairwell is performed. Special attention should be paid to the condition and functioning of the pipes, valves, and joining elements (couplings, bends), as well as to the condition of the electrical distribution panels.

The final part of the technical inspection covers the common spaces within each stairwell -- the plaster, painting and related equipment. Some individual units should be selected at random and inspected, with special attention being paid to exterior millwork and to common installations having vertical risers (cold and hot water, heating, gas and sewerage).

The results of the inspections should be discussed with the representatives of the building and with the owners, taking into consideration any suggestions they may have regarding deficiencies observed.

Technical Records of the Condominium

Technical records of the condominium are produced on the basis of an analysis of the original construction plans for the building and the results of the inspections made to determine the current condition of the property. The technical record for the condominium must contain the following elements:

1. Primary Physical Parameters of the Property

   a) the building's project code number

   b) the total built-up area displayed (gross floor area)

   c) height of the building

   d) number and room count of the units

   e) usable area of the units

   f) type of construction system used

2. Utility Supply Systems

   (Include a brief physical description and a diagram of the primary parameters of distribution branching.)

   a) electrical energy - installed power to the condominium

   b) telephone - number of telephone lines

c) TV installations - common antenna and/or cable television

d) methane gas - flow capacity installed

e) heating - necessary thermic flow capacity (maximum consumption per hour)

f) hot water - characteristics of the distribution system

g) cold water - same as hot water

f) sewerage - same

3. Summary Description of the Property and its Condition

a) construction system and condition of structure

b) roof

c) common spaces in the stairwells

d) exterior millwork and balconies

e) interior electric installations (including distribution)

f) interior telephone installations

g) installations for TV reception

h) methane gas installations

i) sanitary installations (cold water, hot water, sewerage) including distribution/collection

j) central heating installations (including distribution)

Recommendations for Improving the Condition and Comfort Level

Finally, the technical expert should make recommendations for improvements in the condition and comfort level of the property. Recommendations should include a detailed description of the effects of the proposed measures, as well as ways to implement them, and projected costs.

If there are conditions affecting the stability or safety of the building or of an emergency nature, the expert must point these out and advise the owners that correction of these problems is mandatory.

Decisions regarding implementation of measures for improving the comfort level and increasing the value of the condominium property remains the prerogative of the owners' association, both as to the priority of the measures and the timing of execution.

by
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BUILDING CONDITION SURVEY FORMS

Condominium:_____

Address: _____

BASEMENT	CONDITION	REMARKS
corridors		
exits		
lighting		
trash room		
meters		
storerooms		
windows		
floor		
walls		
ceiling		
plumbing		
electrical wiring		

Inspected By: _____ Date: _____

BUILDING CONDITION SURVEY FORMS, Continued

BUILDING EXTERIOR	CONDITION	REMARKS
roof		
skylights		
downspouts		
parapet walls		
vents/chimneys		
masonry facade		
windows		
doors		
fire escapes		
courtyards		
sidewalks		
gates/fences		
lighting		
area drains		
retaining walls		
airshafts		

Inspected By: _____ Date: _____

HEATING SYSTEM	CONDITION	REMARKS
controls		
burner/boiler		
water heater		
piping		
water supply		
ventilation		
fire rating		
insulation		

Inspected By: _____ Date: _____

ELEVATOR	CONDITION	REMARKS
doors		
leveling		
cab push buttons		
call buttons		
lighting		
floor		
walls/ceiling		
inspection certificate		

Inspected By: _____ Date: _____

BUILDING CONDITION SURVEY FORMS, Continued

LOBBIES/HALLS	CONDITION	REMARKS
ceilings		
walls		
floors		
doors		
lighting		
ventilation		
mailboxes		
door release buzzer		
intercom		

Inspected By: _____ Date: _____

INDIVIDUAL APTS.	CONDITION	REMARKS
doors		
windows		
floors		
walls		
ceiling		
kitchen		
bathroom		
heating		
lighting		
electrical		

Inspected By: _____ Date: _____